
DE GREY MINING LTD
ACN 094 206 292
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)
DATE: 21 February 2020
PLACE: Level 3
22 Railway Road
SUBIACO WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10am WST on 19 February 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000,001 Shares at an issue price of \$0.045 per Share, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – APPROVAL TO ISSUE SHARES TO DGO GOLD LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 11,111,111 Shares at an issue price of \$0.045 per Share to DGO Gold Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”


Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of DGO Gold Limited (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 16 January 2020

By order of the Board



Simon Lill

Chairman

Voting by proxy

Your proxy voting instructions must be received by the time and in accordance with the instructions as set out on the enclosed Proxy Form.

Guidance on Appointing a Proxy

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Submit your Proxy Vote Online

Vote online at <https://investor.automic.com.au/#/loginsah> and simply follow the instructions on the enclosed proxy form.

Or, alternatively;

Submit your Proxy Vote by Paper

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways;

BY MAIL	IN PERSON	BY EMAIL
Automic	Automic	meetings@automicgroup.com.au
GPO Box 5193	Level 5, 126 Phillip Street	
Sydney NSW 2001	Sydney NSW 2000	

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but the Company will need to verify your identity.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6117 9328.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND

As announced on 29 November 2019, the Company received firm commitments for a \$5,000,000 placement, via the issue of approximately 111.1 million Shares at an issue price of \$0.045 per Share (**Placement**). Bell Potter Securities Limited was the lead manager to the Placement.

Under the Placement, the Company issued 100,000,001 Shares to sophisticated and professional investors on 6 December 2019 (the subject of Resolution 1). In addition (subject to Shareholders approving Resolution 2), the Company will issue, as part of the Placement, a further 11,111,111 Shares to DGO Gold Limited (a Substantial (10%+) Holder, who has nominated two Directors to the Board).

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

2.1 General

On 6 December 2019, the Company announced that it had completed a placement of 100,000,001 Shares at an issue price of \$0.045 per Share.

All monies raised provided funding for the Company's ongoing exploration activities at its Mallina Gold Project (*formerly known as the "Pilbara Gold Project"*) as well as additional working capital.

2.2 ASX Listing Rule 7.1 and 7.4

On 6 December 2019 (**Issue Date**), the Company issued 100,000,001 Shares under the Placement (**Issue**).

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Issue Date.

ASX Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval for the Issue under, and for the purposes of, ASX Listing Rule 7.4.

2.3 Technical Information required by ASX Listing Rule 14.1A

If Resolution 1 is not passed, the Shares issued will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 1 is passed, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.4 ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share Issue, the subject of Resolution 1 in accordance with ASX Listing Rule 7.5:

- (a) 100,000,001 Shares were issued to professional and sophisticated investors participating in the Placement, which were introduced by Bell Potter Securities Limited as the lead manager to the Placement;
- (b) the 100,000,001 Shares were issued on 6 December 2019;
- (c) the Shares were issued at \$0.045 per Share;
- (d) the Shares are fully paid ordinary shares in the capital of the Company, ranking equally in all respects with the Company's existing Shares on issue;
- (e) the Shares were issued to institutional, professional and sophisticated investors participating in the Placement who are not related parties of the Company; and
- (f) the issue was made in order to fund ongoing exploration and for working capital purposes.

The Board recommends that Shareholders vote in favour of Resolution 1.

None of the Directors have a material personal interest in the subject matter of Resolution 1. The Board believes that the ratification of the Issue, the subject of Resolution 1, is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 1 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 during the next 12-months without shareholder approval.

3. RESOLUTION 2 - APPROVAL TO ISSUE SHARES TO DGO GOLD LIMITED

3.1 General

Pursuant to Resolution 2, the Company is seeking Shareholder approval for the issue of 11,111,111 Shares (**DGO Shares**) to DGO Gold Limited (**DGO**) as part of the Placement. Resolution 2 seeks Shareholder approval for the issue of the DGO Shares to DGO (or their nominee).

DGO are not a related party for the purposes of Chapter 2E of the Corporations Act.

3.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, a Substantial (10%+) Holder, who has nominated a director to the Board, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the DGO Shares involves the issue of securities to a Substantial (10%+) Holder, who has nominated a director to the Board, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The issue of the DGO Shares constitutes giving a financial benefit and requires Shareholder approval in accordance with ASX Listing Rule 10.11.3A, by virtue of DGO:

- (a) holding an interest of more than 10% of the total issued capital of the Company; and
- (b) having nominated Mr Eduard Eshuys and Mr Bruce Parncutt AO to the Board.

3.3 Technical Information required by ASX Listing Rule 14.1A

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the DGO Shares. If Resolution 2 is passed, the Company will be able to issue the DGO Shares during the period of 1 month after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the DGO Shares will be issued to DGO (or their nominee);
- (b) the number of DGO Shares to be issued is 11,111,111;
- (c) the DGO Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the DGO Shares will be issued for cash consideration of \$0.045 per DGO Share;
- (e) the DGO Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as Shares currently on issue; and
- (f) the funds raised will be used for the same purpose as all other funds raised under the Placement being to fund ongoing exploration at the Company's Mallina Gold Project (*formerly known as the "Pilbara Gold Project"*) and to provide additional working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the DGO Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of DGO Shares to DGO (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means De Grey Mining Ltd (ACN 094 206 292).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Substantial (10%+) Holder means a person who would have a "substantial holding" in the Company under paragraph (a) of the definition of that term in section 9 of the Corporations Act if the reference in that paragraph to 5% was 10%.

WST means Western Standard Time as observed in Perth, Western Australia.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Vote by Proxy: DEG

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday 19 February 2020** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above, as it appears on the Company's share register. If this information is incorrect, or you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/holdings>. Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

